

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814  
(916) 322-5330



January 8, 1985

ALL-COUNTY LETTER NO. 85-02

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FEDERAL DEFICIT REDUCTION ACT OF 1984 (DEFRA)--INFORMATION ON THE SECOND  
SET OF STATE REGULATIONS AND TRANSMITTAL OF SUPPLEMENTAL REPORT FORM  
REFERENCE: ACIN I-67-84 and ACIN I-85-84

The purpose of this letter is to provide you with information on the second set of regulations implementing provisions of the Deficit Reduction Act of 1984--DEFRA (PL 98-369). In addition, this letter transmits two versions of a mandatory Supplemental Report Form for gathering recipient information needed for implementation of DEFRA.

The first set of State (DEFRA) regulations was filed on September 27, 1984. The provisions were all effective October 1, 1984.

The second set of regulations includes the following provisions:

- o \$50 Child Support Disregard Issuance
- o Filing Unit
- o Deeming of Income to Minor Parents
- o Protective Payment Exception
- o Sponsored Aliens
- o Real Property Exclusion

Attachment I contains a summary of the provisions of the second set of regulations. These regulations are expected to be filed with the Secretary of State by January 18, 1985, and will be effective as of the filing date. That means that the regulations will be applied to applicant families as of January 18, 1985. Eligibility for continuing cases will be determined in February considering any new members and/or any new income and resources available to the assistance unit. The income of any new members added in February should be prospectively budgeted for February and March. For all cases that continue to be eligible, the income reported on the February CA 7 due in March should be used to determine the April grant. The Child Support Disregard regulations will affect support payments received since October 1, 1984.

All provisions apply to cases receiving Aid to Families with Dependent Children (AFDC). Except for the Sponsored Alien provision, all provisions also apply to cases receiving Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), and those in the Refugee Demonstration Project (RDP). Implementation instructions, Notices of Action, and forms are expected to be issued by the end of January.

The Filing Unit and Sponsored Alien regulations require identification of persons who are in the home but not in the assistance unit. After discussions with CWDA committees, it was decided that the Department of Social Services would design a form to be used as a stuffer which would capture this information. The form will also be used to gather information on cases affected by the Darces v. Woods court case. To assist you in planning, attached is a draft copy of a proposed All-County Letter on the Darces case (Attachment II). This letter must be approved by the Department of Finance and the Joint Legislative Budget Committee before it can be released. Attachment III provides instructions for the stuffer, and Attachments IV and V are reproducible copies of the alternate formats of the stuffer for your use. The form is provided in English and Spanish.

If you have any questions, please contact Elaine Moody, AFDC Policy Implementation Bureau, at (916) 322-5330 or ATSS 492-5330.

  
ROBERT A. HOREL  
Deputy Director

Attachments

cc: CWDA

## Summary of DEFRA II Provisions

1. \$50 Child Support Disregard

- o This provision covers the issuance of the disregard payments to the recipients.
- o Detailed information was transmitted to counties through ACIN I-111-84, dated December 19, 1984.
- o Treatment of the disregard, once received by the assistance unit, was covered in the DEFRA I regulations package effective October 1, 1984 (see the All-County Welfare Directors Letter of September 28, 1984).
- o This provision amends the DEFRA I \$50 Child Support Disregard provision to include spousal support.
- o This provision is retroactive and will apply to all current support collections made on or after October 1, 1984.

2. Assistance Unit/Filing Unit

- o An application or restoration request must be denied if the applicant refuses to include on the CA 2 or CA 8 any individual who must be included in the filing unit (see EAS 40-118).
- o The FBU/Assistance Unit must include all otherwise eligible minor siblings living with the dependent child and include the parents of all these children--with certain exceptions. Exceptions include SSI recipients, step-siblings, some aliens, and persons who are not required to be aided or who do not want to be aided. For persons required to be included but who do not wish to receive aid, their income and resources must be counted.
- o The separate income and resources of the eligible minor siblings will be used in the family's eligibility and grant determination.

3. Deeming of Income to Minor Parents

- o The income of unaided senior parents or legal guardians will be counted as income to the minor parent living in the home to the same extent as stepparent income is counted. This will replace the current senior parent neediness determination and counting of in-kind income in these cases.

4. Protective Payment Exception

- o If, after all reasonable efforts, the county is unable to find a suitable protective payee, the county will be allowed to make payments to the parent who is ineligible due to failure to meet work incentive program or child support program requirements.
- o The parent will continue to be ineligible for aid.

5. Sponsored Aliens

- o Aliens sponsored by agencies or organizations are considered ineligible for aid for three years after entry into the United States unless the agency or organization no longer exists, or, if it does exist, that it is not able to provide for the needs of the alien.

5. Sponsored Aliens (continued)

- o In situations where an agency or organization sponsors less than all members of an assistance unit, the standard for determining the sponsor's ability to meet the alien's needs is the alien's prorata share of MBSAC for the assistance unit.

6. Real Property Exclusions

- o Real property that the family is making a good faith effort to sell may be excluded as a resource for six months.
- o AFDC paid during this period is considered repayable aid and will be recouped from the sale. The family will be required to grant the county a lien against the real property as security for the aid paid.
- o DSS will provide forms for the lien and agreements to sell the property.

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814  
(916) 322-5330

ALL-COUNTY LETTER NO.

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DARCES v. WOODS

REFERENCE: ACIN 1-50-84; ACL 84-124

All County Letter (ACL) 84-124 dated December 4, 1984 advised counties of the judgment issued in the case of Darces v. Woods. Under the Darces order counties are required to (1) allow for the needs of an undocumented minor in the home when determining the income of the minor's parent that is available to the assistance unit and (2) cease assuming income to be available to the assistance unit when it is actually being used to meet the needs of the parent's unaided, undocumented minor children. This judgment was effective November 1, 1984.

Counties are now instructed to comply with this order by applying the policies set forth below to all actions taken on or after November 1, 1984. In addition, for cases that counties flagged per ACL 84-124, counties must now go back and redetermine eligibility and grant amounts following the policies below.

To implement this order you must now do the following:

1. Gross Income

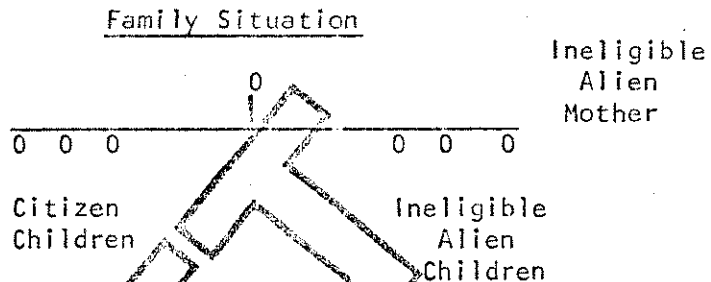
When applying the gross income limit test in cases that have undocumented minor children in the home:

- A. Apply the 185% test to the total reported or anticipated gross income of the otherwise eligible members of the assistance unit. When the gross income includes the income of a parent living in the home but not included in the assistance unit, the MBSAC shall be increased by one for such individual. See Section 44-207.2. If the gross income is at or below the 185% limit, determine the assistance unit's financial eligibility and grant amount in accordance with II below. These cases are to be claimed as federal cases.

B. When the gross income is above the 185% limit (in A above), the county must do a Darces 185% gross income test as follows:

1. Compare the gross income of all members of the family (parent(s) plus children) to 185% of MBSAC for the entire family plus the value of any special needs. If the gross income is less than 185% of MBSAC plus any special needs, the family has met this test. These cases will be claimed as State-only cases.

Example:



The family's gross income is \$1,690 and the family has no special needs. 185 percent MBSAC for 7 is \$1,719. The family has met the gross income test.

2. When the applicant/recipient has met this test continue with the financial eligibility test in II below.

## II. Financial Eligibility/Grant Computation

When applying the net income test (financial eligibility) and computing the grant amount in cases that have ineligible undocumented children, determine if the income of the ineligible children is less than the MAP differential\* for all excluded family members. If so, deduct it from the MAP differential. Deduct the remainder from the excluded parent's income, and that remainder is income available to the assistance unit. If the excluded children's income equals or exceeds the excluded members' needs, all of the excluded parent's income is available to the assistance unit. In such instances, the balance of the excluded children's income is not considered available to the assistance unit.

\*MAP differential is the difference between the maximum aid payment (MAP) for the number of persons in the assistance unit excluding the ineligible persons, and the maximum aid payment for the persons in the assistance unit including the ineligible parents.

Example 1: Same family situation as in the example above.

The excluded mother has earnings of \$200/month, and 3 ineligible children receive \$125/month each as child support. The needs of the excluded members are \$374 (MAP differential between 7 and 3 members). Since the children's income (\$375) exceeds all of the excluded members' needs (\$374), all of the mother's income would be available to the assistance unit (less the earnings disregards specified in 44-133.3 and 44-207.32).

Example 2:

The mother has gross earnings of \$500/month and one of the ineligible children receives \$100/month child support. After deducting the excluded child's income from MAP differential for four (\$374), the excluded members' remaining needs are \$274. After deducting the earnings disregards specified in 44-133.3 and 44-207.32 from the excluded parent's income, the remaining needs (\$274) would also be deducted from the excluded parent's income. The remainder would be income available to the assistance unit.

At the time of the Deficit Reduction Act (DEFRA) implementation (Phase II), you must identify ongoing Darces cases which were not previously flagged which may be entitled to additional benefits from November 1 forward. You will be receiving instructions shortly on implementation of Phase II of DEFRA which will include the mailing of a return form to your entire caseload. If the DEFRA return form is not received, the county must contact those recipients where the case file indicates that they might be eligible (any listing that shows children not in the assistance unit but in the home who are undocumented aliens, and parent has income whether or not the parent is in the assistance unit). For all identified Darces cases, counties must apply the policies described in I and II above.

The Department intends to promulgate regulations to reflect the above policies through regular processing. In the meantime, this letter shall serve as the basis for compliance with the Darces judgment.

In order to ascertain county compliance, we request that you complete and return the attached certification form no later than two weeks following receipt of this letter.

If you have any questions regarding the Darces implementation, please contact the AFDC Policy Implementation Bureau at (916) 322-5330.

ROBERT A. HOREL  
Deputy Director

Attachment

cc: CWDA

State of California  
Health and Welfare Agency

Department of Social Services

DARCES v. WOODS

I hereby certify that the County of \_\_\_\_\_, State of California, has issued instructions to eligibility workers to apply the Darces policy prospectively (with the exception of the DEFRA-related review) in accordance with ACL 84-\_\_\_\_\_ and retroactively to all cases flagged per ACL 84-124.

\_\_\_\_\_  
Your Name/Title (PRINT)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

Return completed form to:

Department of Social Services  
AFDC Policy Implementation Bureau  
744 P Street, MS 16-31  
Sacramento, CA 95814

Attention: Jim Mullany

Instructions for "Important Supplemental Report" Form, Attachments IV and V:

- o The form is designed to be used as a supplement to the January CA 7 which is to be returned to the counties in February. It asks three questions which are designed to help you identify which families are affected by the following regulations effective February 1, 1985:

- Standard Filing Unit--Question 1
- Sponsored Aliens--Question 2
- Minor Parents--Question 3

Question 1 also helps you identify which families are affected by the Darces v. Woods decision (see ACL 84-124).

- o The forms are intended to be issued with English language on one side and Spanish on the other side.
- o Each county is free to choose which version of the form it will issue (computer card format or 8½" X 11" format).
- o It is recommended that the form be enclosed with the CA 7 mailed to the recipient in January. It may be mailed with the February 1 warrant or sent separately. Regardless of how it is sent, recipients must receive the form by February 1.
- o This procedure is expected to provide counties with sufficient information to identify most families affected by the regulations and court decision mentioned above. To the extent that this procedure does not identify the affected families (forms not returned or incomplete), counties will need to take the necessary steps to obtain the information. This could involve a combination of follow-up contacts with recipients and/or case record searches.
- o Once the affected families are identified, follow-up will have to be done to assure the appropriate forms are completed.
- o Even though the form tells the recipient that the form must be completed and returned, no sanctions will be applied if it is incomplete or not returned. Sanctions for an incomplete or missing CA 7 will not apply to this form.

State of California--Health and Welfare Agency		Department of Social Services	
IMPORTANT SUPPLEMENTAL REPORT--For All Cash Aid Recipients			
<p>We need additional information from you this month.</p> <p>You must COMPLETE this form--then SIGN, DATE and RETURN it with the monthly report (CA 7) that you send to us in February.</p> <p>Answer for your circumstances as of February 1, 1985.</p>	<p>① Are there any family members living in your home (including undocumented aliens) who don't get cash aid? If yes, complete section below for the unaided person(s):</p> <p>Name:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>Relationship to Aided Child(ren):</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>Age:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>U.S. Citizen?</p> <p>1. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>② Does any person living in your home fit the following description?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>• Is an alien, and</li> <li>• Is a member of your family, and</li> <li>• Was sponsored for admission to the U.S. by an organization (rather than by an individual), but</li> <li>• Is <u>not</u> a refugee.</li> </ul> <p>If YES, give each person's name and the name of the sponsor:</p>	<p>③ Are you:</p> <ul style="list-style-type: none"> <li>• A parent or pregnant, and</li> <li>• Under age 19, and</li> <li>• Living with your parent or guardian?</li> </ul> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If you need more space, continue your answers on another sheet of paper.</p>
Print Your Name	Your Signature	Date	Case Number

Estado de California - Agencia de Salud y Bienestar		Departamento de Servicios Sociales							
REPORTE SUPLEMENTAL IMPORTANTE - Para todo Recipiente de Asistencia Monetaria									
<p>Necesitamos información adicional de usted este mes.</p> <p>Debe completar esta forma--y luego FIRMARLA, FECHARLA y DEVOLVERLA con el reporte mensual (CA 7) que nos envíe en febrero.</p> <p>Conteste según sus circunstancias a partir del 1 de febrero de 1985.</p>	<p>1) ¿Hay miembros de su familia que viven en su hogar (incluyendo a extranjeros indocumentados) que no reciben asistencia monetaria?</p> <p>SÍ <input type="checkbox"/> NO <input type="checkbox"/></p> <p>Si es así, complete la sección que sigue para la(s) persona(s) que no esté(n) recibiendo asistencia.</p> <p>Nombre:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>Parentesco con el niño(s) que recibe(n) asistencia:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>Edad: Ciudadano de los Estados Unidos?</p> <table border="0"> <tr> <td>1. <input type="checkbox"/> SÍ</td> <td><input type="checkbox"/> NO</td> </tr> <tr> <td>2. <input type="checkbox"/> SÍ</td> <td><input type="checkbox"/> NO</td> </tr> <tr> <td>3. <input type="checkbox"/> SÍ</td> <td><input type="checkbox"/> NO</td> </tr> </table>	1. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO	2. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO	3. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO	<p>2) ¿Hay alguien en su casa que sea:</p> <ul style="list-style-type: none"> <li>Extranjero(a), y</li> <li>Miembro de su familia, y</li> <li>Haya sido patrocinado(a) para admisión a los Estados Unidos por una organización (en vez de por un individuo), pero que <u>no</u> sea refugiado(a)?</li> </ul> <p><input type="checkbox"/> SÍ <input type="checkbox"/> NO</p> <p>Si es así, dé el nombre de cada persona y el nombre del(a) patrocinador(a):</p>	<p>3) ¿Es usted:</p> <ul style="list-style-type: none"> <li>Un padre/madre o está embarazada, y</li> <li>Tiene menos de 19 años de edad, y</li> <li>Vive con su padre/madre o tutor legal?</li> </ul> <p><input type="checkbox"/> SÍ <input type="checkbox"/> NO</p>
	1. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO							
2. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO								
3. <input type="checkbox"/> SÍ	<input type="checkbox"/> NO								
<p>Si necesita más espacio, continúe sus respuestas en otra hoja.</p>									
<p>Escriba su nombre con letra de molde</p>	<p>Su Firma</p>	<p>Fecha</p>	<p>Número del caso</p>						

## IMPORTANT SUPPLEMENTAL REPORT

## For All Cash Aid Recipients

- We need additional information from you this month.
- You must complete this report--then SIGN, DATE, and RETURN it with the monthly report (CA 7) that you send to us in February.
- Answer for your circumstances as of February 1, 1985.

- 1) Are there any family members living in your home (including undocumented aliens) who don't get cash aid? ☐ YES ☐ NO

If YES, complete section below for the unaided person(s)

Name	Relationship to Aided Child(ren)	Age	U.S. Citizen?	
			Yes	No
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- 2) Does any person living in your home fit the following description? ☐ YES ☐ NO

- Is an alien, and
- Is a member of your family, and
- Was sponsored for admission to the U.S. by an organization (rather than by an individual), but
- Is not a refugee

If YES, give each person's name and the name of the sponsor:

- 3) Are you:

☐ YES ☐ NO

- A parent or pregnant, and
- Under age 19, and
- Living with your parent or guardian?

- Print Your Name \_\_\_\_\_ Case No. \_\_\_\_\_
- Your Signature \_\_\_\_\_ Date \_\_\_\_\_

REPORTES SUPLEMENTAL IMPORTANTE

Para Todo Recipiente de Asistencia Monetaria

- \* Necesitamos información adicional de usted este mes.
- \* Debe completar este reporte---y luego FIRMARLO, FECHARLO Y REGRESARLO con su reporte mensual (CA 7) que nos envíe en febrero.
- \* Conteste según sus circunstancias a partir del 1 de febrero de 1985.

- 1) ¿Hay miembros de su familia que viven en su hogar (incluyendo a extranjeros indocumentados) que no reciben asistencia monetaria? ☐ SÍ ☐ NO

Si es así, complete la sección que sigue para la(s) persona(s) que no esté(n) recibiendo asistencia.

Nombre	Parentesco al niño(s) que recibe(n) asistencia	Edad	¿Ciudadano de los Estados Unidos?	
			SÍ	NO
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- 2) ¿Hay alguien en su casa que sea:

- \* extranjero(a), y
- \* miembro de su familia, y
- \* haya sido patrocinado(a) para admisión a los Estados Unidos por una organización (en vez de por un individuo) pero
- \* que no sea refugiado(a)? ☐ SÍ ☐ NO

Si es así, dé el nombre de cada persona y el nombre del(a) patrocinador(a):

- 3) ¿Es usted:

- \* un padre/madre o está embarazada, y
- \* tiene menos de 19 años de edad, y
- \* está viviendo con su padre/madre o con un(a) tutor(a) legal? ☐ SÍ ☐ NO

\* Escriba su nombre con letra de molde \_\_\_\_\_

\* Su firma \_\_\_\_\_ Fecha \_\_\_\_\_ Número del Caso \_\_\_\_\_